



**USF Board of Trustees**

**Governance Committee**

January 19, 2017

Marshall Student Center Room 3707

*Trustees:* Jordan Zimmerman, Chair, Brian Lamb, Stan Levy, Hal Mullis,

John Ramil, Nancy Watkins

*Staff Liaisons:* Cindy Visot, Gerard Solis

**A G E N D A**

- |      |   |                        |
|------|---|------------------------|
| I.   | Call to Order and Comments  | Chair Jordan Zimmerman |
| II.  | <b>New Business – Action Item</b>   |                        |
|      | FL 101 – Approval of <a href="#">November 17 Summary Notes</a>                        | Chair Zimmerman        |
| III. | <b>Information Items</b>  |                        |
|      | FL 102 – <a href="#">Delegation of Authority</a>                                      | VC Lamb/GC Solis       |
|      | FL 103 – <a href="#">Oversight of University Direct Support Organizations</a> (“DSO”) | VC Lamb/GC Solis       |
| IV.  | Adjournment   | Chair Zimmerman        |

FL 101

**USF Board of Trustees  
Governance Committee**

January 19, 2017

**Issue:** November 17, 2016 Summary Notes

---

**Proposed action:** Approval of Summary Notes

---

**Executive Summary:** Approval of the summary notes for the November 17, 2016 meeting of the Governance Committee.

---

**Strategic Goal(s) Item Supports:** NA  
**Supporting Documentation Online:** Yes  
**USF System or Institution specific:** USF System-wide  
**Prepared by:** Dr. Cindy Visot

**Board of Trustees Governance Committee  
November 17, 2016  
Draft Meeting Notes**

Meeting called to order November 17, 2016 at 8:03.

Roll call by Corporate Secretary

Members present: Stan Levy, Hal Mullis, John Ramil, Jordan Zimmerman

Committee Chair Zimmerman welcomed the committee members.

**New Business – Action Items**

**FL 101 – Approve 8/25/16 minutes**

Committee Chair Zimmerman introduced the item and asked for a motion.

Motion was made with Hal Mullis, 2<sup>nd</sup> by John Ramil; no discussion occurred and approved by all committee members present.

**FL 102 – Approve President Genshaft’s 2015-16 Performance Evaluation**

Committee Chair Zimmerman reminded the members that they have a copy of President Genshaft’s 2016-2017 Goals. Each year President Genshaft works with the Board Chair to identify the top goals for USF. These are the goals that will elevate USF to even greater distinction. With this University’s research significance, it is critical to remain focused on our presence in the state and in the region. Being awarded Full preeminence status by the Florida Board of Governors and earning AAU eligibility is where USF is headed.

Trustees reviewed each goal with detailed discussions by the committee and other trustees attending.

Chair Zimmerman provided a history of the compensation committee and with the reorganization of the Board committees, the president’s evaluation and contract were moved under this committee’s responsibility. Chair Zimmerman explained the process and explained they would be recommending to the Full Board in December potential performance stipend based on their evaluation. He further reminded the committee that this recommendation is based on the past 5-year contract (July 1, 2011-June 30, 2016) where the salary is \$470K and annual performance stipend is up to \$175k. The Governance Committee may award up to 70% (\$122,500) of the \$175k potential performance stipend. He further explained that Chair Lamb may award up to 30% (up to \$52,500) of the \$175k based on his discretion.

Chair Zimmerman reviewed with the committee the four goals and asked for feedback and scale of rank from all trustees attending the meeting (including non-voting members).

**Goal 1 Research:** Scale for Goal 1 was 8-9 ½ (scale 1-10) with one person ranking 8. Discussion occurred about Draper Labs leaving Florida and how it effects USF’s post-docs as well as the process USF went through upon notification Draper was leaving. President shared that she worked with the Governor’s office as Draper had received funds from the state when they came to USF and Florida. Chair Zimmerman shared they committed to 165 new high paying jobs and had only fulfilled 65 over 7 years. The President also

shared that the new CEO of Draper is taking the research agenda in a different direction. She also shared USF hired some of the researchers. A request for future discussion on benchmarking of NIH and non-government grants occurred. Trustee Ramil also shared that C-100 Higher Education and Business Economic Committees are now tied together to focus on research opportunities to bring more dollars into the state and to our universities. Overall, members felt USF's research continues to progress and that the Draper Lab departure was out of the university's control. The Provost shared that we exceed the performance based funding metrics (200) that our post doc numbers has gone back up through other areas within the university.

**Goal 2 Revenue Generating including Fundraising:** Scale for Goal 2 was 9 ½-10 (scale 1-10). Chair Zimmerman provided an overview of the goal and shared that 2 goals were not met, fundraising and endowment increase. Discussion centered mostly around these two areas. President Genshaft and Sr. VP Momberg shared that in the past (and when the goal was set), Keystone Technologies in-kind donation of software could be counted annually. Based on the way the gift was given this year, it cannot be counted based on CASE guidelines, yet the goal was set based on past abilities to count the gift. Discussion also occurred about endowment with most down (UF 3.2%; FSU 2.9%; Harvard 2.0% and USF 1.3%). After a discussion on endowment gifts vs designated gifts, Sr. VP Momberg also shared with the Committee that Foundation is focusing more on blended gifts from donors to increase the endowment. Sr. VP Momberg also shared that the Unstoppable Campaign is 90% dollars in 80% time. Additional comments by Trustees included it was a difficult year economically with our President setting a high goal in fundraising; how strong USF is doing with the campaign as a young institution; USF ranks #2; ultra-challenging year with the election distractions and market changes; Moody's stays consistent showing our financial stability; and we continue to move forward and closer to preeminence. It was also noted that all other goals were met within the Revenue Generating Funds including Fundraising goal.

**Goal 3 Student Success:** Scale for Goal was 8 ½ - 9+ (scale 1-10). Chair Zimmerman noted that for Student Success USF System met all but one goal; USF Tampa met all but one and USF SP and USF S-M have a lot of work to do not meeting most of the goals. He noted that USF SP exceeded freshman IPEDS retention and USF SM exceeded SAT scores. Discussion occurred around the President holding the Regional Chancellors accountable for not meeting the student success goals at a higher rate as performance based funding for the institutions is affected. Trustee Hopes mentioned that more emphasis needed to occur on the regional institutions for student success. President Genshaft stated that goals are based on PBF and that they must be made sharing that at USF Tampa, the student success team is being more proactive monitoring success by the incoming classes. Trustee Zimmerman stated that since Trustee Ramil's chairmanship, USF continues to focus heavily on student success, improving year after year as a system. Trustee Ramil told the President he appreciated her honesty and ability to stay focused on improving. Trustee Levy commented he was disappointed in USF SP not making a majority of goals and wants to see action steps on improving the student success area at ACE.

**Goal 4 USF Health:** Scale for Goal was 9+ - 10 (scale 1-10). Trustees overall noted that USF Health is on the right direction and singled out the MCAT scores of the incoming classes being the highest in the state. Comments centered around the enhanced relationships with USF's medical partners and moving to a more healthy clinical enterprise. Trustee Hopes mentioned meetings he's been having with Dr. Lockwood and the President about the enterprise and looking forward to engaging more in the area.

Chair Zimmerman reviewed what he felt were the top 7 achievements for the year. They are: achieving emerging preeminence and moving closer to preeminence status, performance based funding metrics success, downtown redevelopment project approval/funding, Unstoppable Campaign, P3 project approval to enhance student success/living on the USF Tampa campus, academic success of our incoming classes, and

eliminating the achievement gap between students based on race or family income. He mentioned the President was recognized by Peru's Universidad San Ignacio de Loyola with an honorary degree (2<sup>nd</sup> international honorary degree during her presidency).

Chair Zimmerman asked if there was a motion for the President's performance stipend. Trustee Mullis moved that the Committee recommend to the Board 95% of the stipend they can allocate for this year. Trustee Ramil seconded the motion.

In discussion the members of the Governance Committee felt the President set lofty goals and continues to move the USF System in a positive direction, staying focus on our move to preeminence and AAU eligibility. Trustee Levy hopes going into the future that the President also focuses on succession management and getting more deans to outreach like she does in the community. Trustee Zimmerman concurred. Trustee Ramil noted that in light of what our Nation has been through, USF has had the ability to close the achievement gap is amazing and one the Trustees should be most proud of. As a newer member of the Board, Trustee Carrere stated he was quite impressed and thanked the President for her hard work. With no additional comments the Chair called for a vote. The motion was approved by unanimous vote of members present.

Trustees Ramil and Mullis congratulated the Chair for the outstanding session, noting his preparation was quite evident.

Chair Zimmerman discussed the Global Initiatives Center story that had recently been in the media and what the protocol was for trustee notice. GC Solis reviewed the process and noted that the reporter had numerous outstanding public records when she aired the report. He shared that the Ethics Point investigations did not find any evidence of wrongdoing. He also shared that the university receives numerous requests that do not pan out but that the team will review our process. The President committed to better notification of the Board earlier in the public records process when there potentially could be a negative media story. Trustee Ramil recommended a template for crisis procedures and how we handle the communications internally and externally.

Due to the time and that BOT Chair Lamb was unavailable for the committee meeting, the Chair requested the two information items be held for the next Governance Committee meeting. All members present concurred.

Having no further agenda items, the meeting was adjourned by Chair Zimmerman.

**USF Board of Trustees  
Governance Committee  
January 19, 2017**

**Issue:** Proposed Revisions for USF Policy #01-100, Delegations of General Authority and Signatory Authority

---

**Proposed action:** Informational

---

**Executive Summary:** The University System proposes a new Policy to set a framework for Presidential Delegations of both General and Signatory Authority. The Policy includes the protocols for Delegation Adoption, a uniform Delegation format, an index to make the University's operational delegations transparent and provisions to assist with compliance and minimize risk.

This policy is intended to align with guidance received from the Board of Governors (BOG) on best practices for delegations of Presidential authority and the BOG's ongoing development of a regulation covering the Duties and Responsibilities of University Presidents.

Guidance is requested from the Board regarding the monetary limits on Presidential authority for the purchase of goods and services. For discussion, the BOG provided the following examples of monetary limits from other universities:

- Purchases of goods and service not to exceed \$500,000 (Illinois State University);
- Purchases of goods and services not to exceed \$1,000,000 (University of Minnesota);
- All contracts with a total cost or monetary value not to exceed \$1,000,000, including all potential renewals (University of Texas) **Note: Board of Governors regulations dealing with construction contracts include a delegation of authority to university presidents to execute contracts for projects up to \$2,000,000;**
- Lease agreements for real property with an annual lease payment not to exceed \$1,000,000 (California State);

If an expenditure exceeds the established limits of the President's authority, then staff recommends that the President consult with and obtain the approval of the Chair of the Finance Committee. In cases where the proposed expenditure exceeds the established limit by more than 50% of the applicable limit, then approval by the Finance Committee would be required. For example, if the established expenditure limit is 1 million dollars, then the President, or her designee, would work with the Chair of the Finance Committee to obtain approval for expenditure

up to 1.5 million dollars. If the proposed expenditure were to exceed 1.5 million dollars, then consultation and approval by the Finance Committee would be required. In all cases, expenditures related in subject and time would be aggregated to determine the total expenditure for the purposes of obtaining approval.

---

**Strategic Goal(s) Item Supports:** USF System Strategic Goal Nos. 3 and 4; major economic engine and more secure economic base

**Workgroup Review Date:**

**Supporting Documentation Online:** Yes

**USF System or Institution specific:** **USF System wide**

**Prepared by:** Gerard Solis, General Counsel



**POLICY**

USF System    USF    USFSP    USFSM

**Number: 0-100**

**Title: Delegations of General Authority and Signatory Authority**

**Responsible Offices: USF System Services**

Date of Origin:

Date Last Amended:

Date Last Reviewed:

**I. PURPOSE & INTENT:**

This Policy sets forth the general guidelines for Delegations of Authority with the intent to:

Set forth a process for the Delegation of Signatory Authority from the President to Senior Vice Presidents, Chancellors or Vice Presidents as well as a process for those offices to delegate to additional offices by Sub Delegations the responsibility and authority to execute a Contract on behalf of the University.

Memorialize the Delegation of General Authority to Vice Presidents, Chancellors and other managerial officers and employees for the responsibility and authority necessary to perform the general administrative and supervisory responsibilities necessary to carry out the functions related to their employment

**II. AUTHORITY AND APPLICABILITY:**

The Florida Constitution creates the State university system. Florida Statutes sections 1001.72 and 1001.73 establish each board of trustees with the powers of a public body corporate. Florida Board of Governors Regulation 1.001 establishes the University of South Florida Board of Trustees (USF BOT) and defines the powers vested solely in the USF BOT and fundamental board functions, which include, but are not limited to, setting fees, tuition, housing or parking rates and other specified powers.

Pursuant to the Board of Governors Regulation 1.001, the USF BOT also has the authority to adopt Policy for the administration and oversight of its designated institutions and to establish the powers and duties of the President as the chief executive officer. Accordingly, the USF BOT adopted the USF Governance Policy (<http://regulationspolicies.usf.edu/policies-and-procedures/pdfs/bot-policy-07-001.pdf>) which delegates to the USF System President, as the Chief Executive Officer of the University of South Florida System (USF System) (herein “University”), the general administrative and supervisory authority over the USF System

including signatory authority for the University. This Policy shall apply to the USF System and all USF System employees.

This Policy addresses the Authority vested in the President in the role as USF System CEO and does not apply to the Authority that may be granted by the USF Board of Trustees according to Florida Statute and/or the USF Governance Policy (USF Policy 7-001 Governance Policy) directly to a Direct Support Organization or other University component.

### **III. DEFINITIONS OF TERMS:**

1. **Contract:** Contract (or Contracts) in this Policy is used to refer to an agreement that commits the resources of the University or creates an obligation on behalf of the University to a third party. By way of example, the term Contract may include an affiliation agreement, agreement, memorandum of understanding/agreement/intent, cooperative agreement, proposal, purchase order or notice of award.
2. **Delegatee:** A person, identified by position title, a Delegator authorizes to share the authority to sign Contracts on behalf of the University.
3. **Delegation:** A memorialized transfer of Signature Authority from a Delegator to a Delegatee. The transfer does not void the Delegator's Signature Authority and Delegator retains all Signature Authority delegated to a Delegatee.
4. **Delegator:** A person, identified by position title, who is vested with Signatory Authority, and, who under this Policy, identifies a Delegatee to share their authority to sign Contracts on behalf of the University.
5. **Employment or Appointment Date:** The date a person assumes a title or position at the University with the related salary and title.
6. **General Authority:** The responsibility and power necessary to carry out the functions related to a person's employment responsibilities and which is vested at the time of employment without additional delegation. This does not include Signatory Authority which must be specifically delegated.
7. **Signatory Authority:** The responsibility and power that enables an employee to enter into and execute a Contract which requires a specific additional delegation as set forth below.
8. **Signatory:** The actual person signing a Contract on behalf of the University.
9. **Sub-Delegation:** An additional transfer of Signature Authority.
10. **University Position:** The employment title and related responsibilities detailed in a job description or vested in the office.

#### **IV. STATEMENT OF POLICY/PROCESS STEPS:**

##### **A. Delegation of General Authority**

The President has issued one Delegation of Authority (USF Delegation No. D1) vesting each employee with the responsibility and authority necessary to carry out the functions related to a person's employment. This includes the ability of supervisors and managers to appoint employees to specific roles and to set managerial expectations. This does not include Delegation of Signatory Authority.

##### **B. Delegation of Signatory Authority**

Any person signing a Contract must have a specific Delegation meeting the following elements and process with the restrictions set forth below:

###### **1. Obligations:**

Reporting to the Chief Financial Officer (CFO): Any Signatory to any one of the following types of Contracts must provide notice of the Contract and its known impacts to the CFO for reporting to the USF Finance Committee at the next regularly scheduled or special Finance Committee meeting:

- (a) Contracts that will have any material adverse change on debt issued and outstanding; and;
- (b) Contracts that will authorize a cost overrun (i.e. change order) that may materially affect debt issued and outstanding or materially increase the cost of a previously approved budget amount on a project with a total value that exceeds One Million Dollars (\$1,000,000).

Reporting to USF World: Contracts involving International Parties or Programs shall be shared by copy to USF World by the Signatory.

Reporting to Innovative Education: All student placement Contracts involving placement entities external to the State of Florida must be reviewed for compliance with State Authorization by Innovative Education prior to final signature.

###### **2. Restrictions:**

- (a) Office of the General Counsel (OGC): All Contracts must be reviewed and stamped for legal sufficiency by the Office of the General Counsel; OGC has the exclusive right to contract for legal counsel to represent the University; OGC must approve any settlement of a legal claim against the University.

- (b) Research: Contracts involving USF Research must be forwarded for review and signature by the USF Department of Sponsored Research before final signature in accordance with USF Regulation 12.002.
- (c) Real Property: Contracts involving Real Property may not be signed by any office except as designated in accordance with USF Board of Trustees Real Property Policy 09-001.
- (d) University Debt: Contracts involving University debt may not be signed by any Signatory except as designated in accordance with USF Board of Trustees Debt Management Policy 06-003.
- (e) Purchasing: Contracts involving the Procurement of Goods and Services may not be signed by any Signatory except as designated in accordance with the USF Purchasing Regulation 4.02010.

### **3. General Terms:**

- (a) Internal Protocols by Delegator or Delegatee: Each Delegator and/or Signatory may institute internal protocols either on the Delegation or as a part of required internal protocol for prerequisite reviews or clearances before a Contract will be reviewed or executed by the Signatory including consultation or review by OGC, Risk Management, Offices of Research or Purchasing, College Deans or other Academic or Administrative Offices.
- (b) Limits of Authority: Each Signatory will act in the parameters of Delegation and in good faith making reasonable efforts to ensure the Contract terms are stated accurately and are in the best interests of the University.
- (c) Compliance with University Regulation and Policy, State and Federal Law: All Signatories must exercise their authority in a manner consistent with University Regulation/Policy and State and Federal Law.

### **4. Form and Elements**

- (a) Form: All Delegations must be in writing. (TEMPLATE)
- (b) Elements: All Delegations must include: Delegator's official title; Delegatee's official title and Department or Institution if applicable; whether Sub-Delegation is Permitted; and the responsibility being Delegated.
- (c) Subject: Delegators shall make delegations to official University positions and not to individuals. In the event a Delegator specifies an individual instead of a position, the delegation will be understood as being made to the position.

- (d) Employment:** A signatory may exercise delegated authority at the time a person begins employment/appointment in the University position.
- (e) Interim or Temporary Positions:** A person assigned or assuming the responsibilities of a permanent position for an interim or temporary period (such as a leave of absence, illness, resignation or termination of the person in the permanent position) may exercise all Delegations granted to that permanent position during the period.
- (f) Title Change:** In the event that there is a change to a Delegator or Delegatee position title, or the responsibilities of a position associated with a Delegatee are shifted or eliminated, the Delegation is transferred to or from the person assuming the responsibilities. However, the Delegator and Delegatee shall notify the OGC to initiate the process for a new Delegation to be executed to ensure currency of the Delegations.
- (g) Indexing:** A copy of the Delegation must be transmitted promptly (within 3 academic days) to the OGC to be logged into the Delegation Index (LINK).
- (h) Numbering:** Each Delegation will be assigned a number and any Sub-Delegation will be an extension of that number with the original Delegation number in the first column and any Sub-Delegation or re-Sub-Delegation listed (ie: Sub-Delegations from Delegation #1 will be numbered 1-1 or 1-2 and additional Sub-Delegations 1-1-1 or 1-2-1 to permit the Sub-Delegation to stay related to its original delegation).
- (i) Retention of Delegation Copy:** Both the Delegator, Delegatee and the OGC are required to retain copies of the Delegations. Copies of Delegations must be made available by the respective offices upon request.
- (j) Effective Date:** Delegations are effective the day they are signed and continue until the Delegation is rescinded, modified or re-delegated. A Delegator may modify or revoke a Delegation. However, such modification or revocation shall be in writing and shall promptly be delivered to the Delegatee and the OGC.
- (k) Rescission and Currency:** Approval, amendment or renewal of any Delegations is considered Rescission of any earlier delegation. The most current Delegation is the controlling Delegation and any prior Delegations inconsistent with the most recent Delegations will be considered rescinded and removed from the active Delegation index. As this Policy initiates a new USF System Delegation Index, any Delegation that predates the inception date of \_\_\_\_\_ is considered rescinded. As some authority is vested in more than one office, duplication of authority may exist.

- (l) Review by Delegator: Delegators shall periodically review their Delegations (optimally once per year and at least once every five years).
- (m) Sub-Delegations: A Delegatee may not share (Sub-Delegate) their authority unless such Sub-Delegation is expressly authorized in the written Delegation. A Delegatee with Sub-Delegation authority may Sub-Delegate specific Signature Authority, as provided in the original Delegations, those Sub-Delegates may NOT repeat the Sub-Delegation unless it is specifically authorized in the Sub-Delegation. If Sub-Delegation is authorized, the Sub-Delegation must be in writing, must be identified as a Sub-Delegation, and must follow the process for Delegations outlined in this Policy.
- (n) Unclear Delegations: It is the responsibility of any individual executing a Contract on behalf of the University to ensure that they have clear authority to do so. If an individual is uncertain whether they are authorized to sign a particular Contract, they should consult with their supervisor.

**\*Current Responsible Office:**

\*Refer to the appropriate Responsible Office website for a current name of the Vice President or other Responsible Officer.

### **Delegation Best Practices and Principles**

- All delegations should be in writing, maintained by a central office at the university, and publicized on the university's website.
- Authority for matters that require specific approval of the board of trustees may not be re-delegated.
- Generally, delegations of authority "flow down" through the chain of command. The Board delegates authority to the President, who delegates to a direct report, etc.
- Each delegation should include the source of the delegated authority, a description of the delegated authority, limitations including restrictions on re-delegation, and a reference to existing delegations that will be modified, amended, or superseded by the action.
- Delegations should be made to a position not an individual.
- Re-delegated authority must note the original delegation, be consistent with the conditions of the original delegation, and reported to the board of trustees prior to implementation.
- Delegation or re-delegation is prohibited if the delegate holds an inherent conflict of interest or the appearance of a conflict, or if a conflict or appearance of a conflict develops or occurs. If a conflict of interest or the appearance of a conflict arises once the delegation or re-delegation is in effect, the delegate or the delegate's supervisor must manage the conflict. If the conflict of interest or the appearance of a conflict persists, the delegation or re-delegation should be withdrawn.
- Consider whether a delegation should be converted to a role or responsibility and incorporated into an employee's job description.
- Establish a deadline for a periodic Board and external review of all delegations.

### **University President Duties and Responsibilities**

The President shall serve as the Chief Executive Officer and Corporate Secretary of the Board of Trustees, and shall be responsible for the operation and administration of the University consistent with the authority delegated in this regulation and any additional delegation as may be made by the Board of Trustees from time to time. In carrying out these duties and responsibilities, the President shall:

#### **(1) University Administration and Oversight.**

(a) Organize the University to efficiently and effectively achieve its goals, and periodically review and provide reports to the Board of Trustees on University operations in order to determine how effectively and efficiently the University is being administered and whether it is meeting the goals of its strategic plan adopted by the Board of Governors.

- (b) Prepare a strategic plan in alignment with the Board of Governors' system wide strategic plan and regulations, and the University's mission for consideration and approval by the Board of Trustees for submission to the Board of Governors.
- (c) Prepare a multi-year workplan for consideration and approval by the Board of Trustees for submission to the Board of Governors that outlines the University's top priorities, strategic directions, and specific actions and financial plans for achieving those priorities, as well as performance expectations and outcomes on institutional and system wide goals. The workplan shall reflect the University's distinctive mission and focus on core institutional strengths within the context of State University System goals and regional and statewide needs.
- (d) Prepare and periodically update a policy addressing conflicts of interest for the Board of Trustees and University employees.
- (e) Maintain an effective information system to provide accurate, timely, and cost-effective information about the University, and require that all data and reporting requirements of the Board of Trustees and Board of Governors be met.
- (f) Take routine administrative actions on behalf of the Board of Trustees related to the development, adoption, amendment or repeal of University regulations, or any action required under the Florida Administrative Procedures Act, Chapter 120, Florida Statutes. This authority does not include the final approval of University regulations.
- (g) Propose regulations for approval by the Board of Trustees, when appropriate, and establish procedures related to data and technology, including information systems, communications systems, computer hardware and software, and networks.
- (h) Secure comprehensive general liability insurance pursuant to sections 1001.706(4)(d) and 1004.24, Florida Statutes.
- (i) Provide for payment of the cost of civil actions against officers, employees, or agents of the Board of Trustees.
- (j) Govern traffic on the grounds of the University and in other areas in accordance with law and any mutual aid agreements entered into with other law enforcement agencies.
- (k) Establish the program for campus safety and emergency preparedness, including safety and security measures for University personnel, students, and campus visitors.
- (l) Close all or portions of the University campus and cease normal operations and services in the event of an emergency, when, in the President's judgment, such action would protect the safety, health and welfare of the University faculty, students and staff, and the University facilities and grounds. In exercising this authority, the President is authorized to determine and assign those employees who are required to provide essential services.

(m) Consult with the Chancellor of the State University System prior to recommending any acquisition, establishment, reclassification, relocation, or closure of additional campuses or special purpose centers to the Board of Trustees.

(n) Set the agenda for meetings of the Board of Trustees in consultation with the chair.

(o) Consult with the Board of Trustees in a timely manner on any matters appropriate to its policy-making and fiduciary functions.

**(2) Academic Programs and Student Affairs.**

(a) Propose for adoption by the Board of Trustees, as appropriate, University regulations or policies in areas including, but not limited to:

1. Authorization and discontinuance of degree programs;
2. Articulation and access;
3. Admission and enrollment of students;
4. Minimum academic performance standards for the award of a degree;
5. Student financial assistance;
6. Student activities and organizations;
7. Student records and reports;
8. Antihazing, related penalties, and program for enforcement;
9. Reasonable accommodation of religious observances;
10. Textbook and instructional materials affordability; and
11. Uniform student code of conduct and related penalties.

Such regulations or policies shall be consistent with any applicable Board of Governors' regulations.

(b) Develop, approve, and implement non-degree, including non-college credit, granting educational programs of the University.

(c) Award degrees, including posthumous, in memoriam and honorary degrees.

(d) Develop, approve, and implement student exchange programs, including without limitation those that are ancillary to the degree and non-degree, including non-college credit, granting programs of the University.

(e) Establish the internal academic calendar of the University within general guidelines of the Board of Governors.

(f) Establish a committee to periodically review and evaluate the student judicial system. At least one-half of the members of the committee shall be students appointed by the student body President.

(g) Approve the internal procedures of student government organizations.

- (h) Approve the establishment of an educational research center for child development in accordance with the provisions of section 1011.48, Florida Statutes.
- (i) Administer all aspects of the University intercollegiate athletics program, with periodic reports to the Board of Trustees on the operations of the program including, but not limited to, finances, audit and compliance, and changes in key personnel.

**(3) Personnel.**

- (a) Establish and implement policies and procedures to recruit, appoint, transfer, promote, compensate, evaluate, reward, demote, discipline, and remove personnel, in accordance with regulations and policies of the Board of Trustees and the Board of Governors.
- (b) Consult with the chair of the Board of Trustees, or other trustee designee, on the hiring, dismissal, and compensation of any person to serve in a Vice President capacity, as the Athletic Director, as a Head Coach, or other direct report position to the President or the Board of Trustees.
- (c) Approve travel in accordance with section 112.061, Florida Statutes.
- (d) Serve as the University representative with regard to administering collective bargaining matters; appoint members to the collective bargaining teams to negotiate agreements on behalf of the Board of Trustees; and execute final agreements for the Board of Trustees after ratification by collective bargaining units.

**(4) Financial Management.**

- (a) Keep the Board of Trustees apprised of the financial condition of the University and any direct support organizations certified by the Board of Trustees or affiliated organizations subject to the oversight of the Board of Trustees.
- (b) Prepare an institutional budget request, including a request for fixed capital outlay, and an operating budget for approval by the Board of Trustees.
- (c) Recommend to the Board of Trustees a schedule of tuition and fees to be charged by the University, within law and regulations of the Board of Governors, and regulations and policies of the Board of Trustees. The President may establish the fee schedules for services and equipment provided on a cost recovery basis, and which are not a part of the required costs for enrolling in academic coursework or for housing. Examples of these fees and fines include, but are not limited to, child care services provided to the public, fines or penalties for lost or damaged property and facility rentals.
- (d) Recommend to the Board of Trustees a regulation for the waiver for tuition and fees pursuant to law and regulations established by the Board of Governors.

(e) Account for expenditures of all state, local, federal, and other funds in accordance with guidelines or regulations established by the Board of Governors, and as provided by state or federal law.

(f) In accordance with the provisions of section 1011.40, Florida Statutes, prepare the operating budget of the University as prescribed by law, regulations of the Board of Governors, policies of the Board of Trustees, and provisions of the General Appropriations Act, for approval by the Board of Trustees. The proposed expenditures, plus transfers, and balances shall not exceed the estimated income, transfers, and balances. The budget and each part thereof shall balance. If at any time the unencumbered balance in the education and general fund of the Board of Trustees approved operating budget goes below 5 percent, the President shall provide written notification to the Board of Governors.

(g) Enter into agreements for, and accept, credit card payments as compensation for goods, services, tuition, and fees.

(h) Establish policies and procedures for the performance of annual internal audits of University finances and operations. All reports generated from such audits must be submitted to the Board of Governors after review and acceptance by the Board of Trustees.

(i) Transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and transfer funds in a similar manner when the transfer does not represent an expenditure, advance, or reduction of cash assets in accordance with section 1011.42(6), Florida Statutes. All budget transfers related to this delegation will be reported as part of the quarterly report to the Board of Trustees.

(j) In accordance with section 1011.42(6), Florida Statutes, authorize budget transfers from reserve accounts (other than the President's reserves over which the President shall exercise full discretion) in amounts not exceeding \$200,000. Budget transfers in amounts exceeding \$200,000 but less than \$500,000 require the approval of the Chair of the Board of Trustees Finance Committee; amounts exceeding \$500,000 require prior approval of the Board of Trustees.

(k) Sign checks to pay legal obligations of the University in accordance with section 1011.42(7), Florida Statutes.

(l) Perform banking transactions, which authority shall also be delegated to the Vice President and Assistant Vice President for Administration and Finance, the University Controller and Associate Controller, and the University Treasurer.

(m) Employ private attorney services after consulting with the university's General Counsel.

(n) Employ the services of collection agencies when deemed advisable in collecting delinquent accounts and charging off and settling accounts when uncollectible. The President will annually report the status of accounts receivable charge-offs to the Board.

(o) Ensure the Board of Trustees is presented with sufficient information for prudent decision-making for projects subject to the Board of Governors Debt Management Guidelines and Public-Private Partnership Guidelines, and University guidelines.

**(5) Property and Purchasing.**

(a) Administer a program for the maintenance and construction of facilities pursuant to Chapter 1013, Florida Statutes; certify to the Board of Governors or Department of Education, as requested, a project's compliance with the requirements for expenditure of Public Education Capital Outlay funds.

(b) Act for the Board of Trustees as custodian of all University property.

(c) Approve and execute contracts for purchase, sale, lease, license, or acquisition of commodities, goods, equipment, and contractual services, leases of real and personal property, and construction in accordance with Board of Governors' regulations. The acquisition may include purchase by installment or lease-purchase. Such contracts may provide for payment of interest on the unpaid portion of the purchase price. **(Discuss if there should be a monetary or term threshold both for the President and for any re-delegation of authority to a Vice President or other senior level official.)**

- Examples of monetary and term limitations are:
  - Purchases of goods and service not to exceed \$500,000 (Illinois State University);
  - Purchases of goods and services not to exceed \$1,000,000 (University of Minnesota);
  - All contracts with a total cost or monetary value not to exceed \$1,000,000, including all potential renewals (University of Texas) **Note: Board of Governors regulations dealing with construction contracts include a delegation of authority to university presidents to execute contracts for projects up to \$2,000,000;**
  - Lease agreements for real property with an annual lease payment not to exceed \$1,000,000 (California State);
  - Leases of real property and easements if the amount to be paid by or to the university does not exceed \$1,250,000 (University of Minnesota);
  - The president is authorized to approve and execute real property rental agreements, leases, ground leases, and other documents pertaining to the use of rental property for university-related purposes with a term of not more than 20 years (excluding options when the university is lessee, but including options provided by the university as lessor) (University of California); and
  - Lease agreements with a term of 20 or more years or with options that result in a potential term of 20 or more years (California State).

(d) In accordance with the provisions of section 1013.48, Florida Statutes, approve change orders in the name of the Board of Trustees for amounts not exceeding \$100,000. All such approvals shall be for the purpose of expediting the work in progress and shall be exercised in accordance with the President's further delegation of change order approval authority to the Office of Administration and Finance. The President or designee may make change orders for an amount exceeding \$100,000 after consultation and approval of the chair of the Finance Committee. Change orders exceeding \$1 million require the prior approval of the Finance Committee. All change orders shall be reported to the Board and entered in to the official minutes as soon as practicable at a regular meeting of the Board.

(e) Regulate the use, maintenance, protection, and control of, and the imposition of charges for, University-owned or University-controlled buildings and grounds, property and equipment, name trademarks and other proprietary marks, and the financial and other resources of the University.

(f) Adjust property records and dispose of state-owned tangible personal property in the University's custody in accordance with the procedures established by the Board of Trustees. Notwithstanding the provisions of section 273.055(5), Florida Statutes, all moneys received from the disposition of state-owned tangible personal property shall be retained by the University and disbursed for the acquisition of tangible personal property and for all necessary operating expenditures. The University shall maintain records of the accounts into which such moneys are deposited.

(g) Protect, develop, and transfer the work products of University personnel and other University agents and contractors, which authority shall include but not be limited to licensing, assigning, selling, leasing, or otherwise allowing the use of or conveying such work products and securing and enforcing patents, copyrights, and trademarks on such products.

(h) In accordance with section 705.18, Florida Statutes, and Board of Governors' regulation, take charge of any lost or abandoned personal property found on the University campus or on premises owned or controlled by the University or any direct support organization thereof. If the property is not claimed by the owner within 30 days after it is found, or a longer period of time as may be deemed appropriate by the President, the President or his or her designee shall dispose of or make use of the property in accordance with established policies and procedures that best meet the needs of the University.

(i) Prepare a campus master plan for adoption by the Board of Trustees, prepare a campus development agreement for execution by the Board of Trustees, pursuant to section 1013.30, Florida Statutes, and report on progress under the Master Plan.

(j) Recommend for adoption and promulgation by the Board of Trustees, regulations establishing basic criteria related to procurement, including procedures and practices to be used in acquiring commodities and contractual services, in accordance with Board of Governors' regulations.

(k) Exercise responsibility for the fire safety and sanitation of public educational and ancillary plants.

**(6) Miscellaneous Powers and Duties.**

(a) In accordance with section 1004.28, Florida Statutes, and Board of Governors' regulation, recommend to the Board of Trustees for final approval, the creation and certification, as well as the decertification and dissolution, of direct support organizations, and any other affiliated organization of the University whose authorizing legislation, bylaws or agreement with the University so requires, in order to serve the needs or further the interests of the University.

(b) Appoint a representative to the governing boards of each direct support organization or any other affiliated organization of the University.

(c) Accept gifts, grants, bequests, and devises on behalf of the university.

(d) In accordance with the terms specified by the donor, to designate the purpose for which, and the location at which, the income and/or principal of a gift shall be used and to make allocations in accordance therewith.

(e) To determine, consistent with any expressed intent of the donor, the purpose for which and the location at which a gift shall be used, to determine whether income and/or principal shall be used, and to make allocations and reallocation in accordance therewith, to the extent not specified by the donor of a gift.

(f) Establish policies regulating the administration and operation of the University Division of Sponsored Research. The President, or his or her designee, is authorized to negotiate, enter into, and execute research contracts; to solicit and accept research grants and donations; and to fix and collect fees, other payments, and donations that may accrue by reason thereof. The President or his or her designee may negotiate, enter into, and execute contracts on a cost-reimbursement basis and may provide temporary financing of such costs prior to reimbursement from moneys on deposit in a sponsored research development fund, except as may be prohibited elsewhere by law.

(g) All purchases of a division of sponsored research shall be made in accordance with the policies and procedures of the University and the purchasing regulations of the Board of Governors; however, upon certification addressed to the President that it is necessary for the efficient or expeditious prosecution of a research project, the President may exempt the purchase of material, supplies, equipment, or services for research purposes from the general purchasing requirement of the Florida Statutes.

(h) Comply with all applicable laws, rules, regulations, and requirements.

(i) Minimize university risk and manage the university's risk management program.

(j) Delegate in writing to any employee of the University who:

1. is a Vice President with responsibility in an area relating to the subject matter of the delegation; or
2. is a manager with responsibility in an area relating to the subject matter of the delegation who reports directly to a position at or above the level of Vice President; or
3. holds a position at the University that is equivalent in seniority or responsibility to a Vice President or such manager, as determined by the President or the Vice President for Human Resources; or
4. is deemed by the President to have the appropriate capabilities,

provided that the delegation specifies the date of the delegation, the name and title of the delegee, the particular authority or portion of authority being delegated and a copy of such delegation is filed with the delegee and with the Vice President and General Counsel of the University, and a copy provided to the Board of Trustees. Although the president may re-delegate to appropriate officials, the president retains the final authority and responsibility for the administration of the university and may condition, limit, or revoke any delegated signature authorities at any time. Authorities the president reserves may not be exercised by any other person, unless expressly authorized by administrative policy or presidential directive.

(k) Initiate and settle lawsuits and claims and appeal adverse rulings when doing so would be in the best interests of the University.

1. For claims up to \$100,000, the President or designee may take action.
2. For claims greater than \$100,000, but less than \$250,000, the President or designee may take action after consultation with the Chair of the Finance Committee or the Chair of the Board of Trustees, as appropriate.
3. For claims above \$250,000, the President will consult with and seek the approval of the members of the Finance Committee. The President or designee shall report all actions above \$250,000 to the full Board.

(l) Perform such other duties as the Board of Trustees may determine are necessary or appropriate for the administration of the University, in compliance with any applicable laws and Board of Governors' regulations and policies.

(m) Nothing in this regulation should be construed as limiting or divesting the Board of Trustees' right to exercise any authority or responsibility as deemed appropriate.

**USF Board of Trustees  
Governance Committee  
January 19, 2017**

**Issue:** Oversight of University Director Support Organizations ("DSO")

---

**Proposed action:** Informational

---

**Executive Summary:** At the August 25, 2016 Governance Committee meeting a question was raised about the limitation on Trustees serving on other USF System boards. This limitation is stated in the Board's Operating Procedures: "Members of the Board of Trustees and the Campus Boards shall not serve on any other Board of the University or its Direct Support Organizations during their appointed term(s)..." (USF BOT Operating Procedures, B.). Based on the discussion of this limitation, more information was requested on oversight of DSOs. The Florida Board of Governors has also indicated an interest in DSO oversight across the State University System.

DSOs are created, organized and operated to serve the best interests of the university. DSOs perform functions that the university is either unable to perform or that can be performed more efficiently and effectively by a DSO than by the university.

The Board currently has broad statutory and regulatory authority over DSOs. For example, sec. 1004.28, Florida Statutes, provides:

**A. the Board certifies the existence of all DSOs and may decertify a DSO if, in the Board's sole discretion, the Board determines that the DSO is not serving the best interests of the university:**

(1)Definitions:

(a) "university Direct Support Organization means an organization which is:...

3. An organization that a state university board of trustees, after review, has certified to be operating in a manner consistent with the goals of the university and in the best interest of the state. Any organization that is denied certification by the board of trustees shall not use the name of the university that it serves.

**B. the Board dictates under what circumstances and terms DSOs will have access to university resources:**

(2)(b) The board of trustees, in accordance with rules and guidelines of the Board of Governors, shall prescribe by rule conditions with which a university direct-support organization must comply in order to use property, facilities, or personal services at any state university. Such rules shall provide for budget and audit review and oversight by the board of trustees.

**C. the Board Chair may appoint a representative to the DSO’s Board of Directors and Executive Committee. The university president, or designee, also serves on the executive committee of the DSO:**

(3) BOARD OF DIRECTORS.—The chair of the university board of trustees may appoint a representative to the board of directors and the executive committee of any direct-support organization established under this section. The president of the university for which the direct-support organization is established, or his or her designee, shall also serve on the board of directors and the executive committee of any direct-support organization established to benefit that university.

**D. the Board retains audit oversight for the DSO, including the power to set the scope and rules governing the annual audit:**

(5) ANNUAL AUDIT; PUBLIC RECORDS EXEMPTION; PUBLIC MEETINGS EXEMPTION.—

(a) Each direct-support organization shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General pursuant to s. 11.45(8) and by the university board of trustees. The annual audit report shall be submitted, within 9 months after the end of the fiscal year, to the Auditor General and the Board of Governors for review. The Board of Governors, the university board of trustees, the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the organization or from its independent auditor any records relative to the operation of the organization....

Recommendations regarding the Board’s oversight of DSOs will be presented in future meetings based on Board discussion, guidance from the Board of Governors and additional recommendations from staff.

---

**Strategic Goal(s) Item Supports:** USF System Strategic Goal No 4: Sound financial management to establish a strong and sustainable economic base in support of USF’s continued academic advancement.

**Committee Review Date:** November 17, 2016

**Supporting Documentation Online (please circle):**      **Yes**                                      **No**

**USF System or Institution specific:** USF System wide

**Prepared by:** Gerard Solis, General Counsel

### **9.011 University Direct Support Organizations and Health Services Support Organizations**

(1) University boards of trustees may establish direct support organizations and health services support organizations and certify them to use university property, facilities and personal services. Such support organizations shall be organized and operated to serve the best interests or missions of the university, including a university's research, education and service missions, and may receive, hold, invest, and administer property and make expenditures to or for the benefit of the university or for the benefit of a research and development park or research and development authority affiliated with a university. Each board of trustees shall establish conditions with which a support organization must comply in order to use university property, facilities, or personal services and such additional conditions, controls, and requirements for support organizations as each board deems appropriate to provide for budget and audit review and oversight.

(2) The Director or Chief Operating Officer of the support organization shall report to the University President or designee.

(3) Operating budgets of support organizations shall be prepared at least annually, and approved by the organization's governing board and the university board of trustees or designee. Significant changes in planned expenditures in the approved budget must be reported to the university board of trustees or designee as soon as practicable but no later than the deadline established by a board of trustees.

(4) Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees or designee, the Board of Governors, and the Auditor General for review. The university board of trustees or designee, the Board of Governors, the Auditor General, and the Office of Program and Policy Analysis and Government Accountability may require and receive any records relative to the operation of a support organization from the organization or its independent auditors.

(5) Each support organization shall submit its federal Internal Revenue Service application for Recognition of Exemption form (Form 1023) and its federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990) to the university board of trustees or designee at the times required by the applicable regulation or policy of the board of trustees. Copies of such forms shall be provided by each university to the Board of Governors.

(6) University boards of trustees shall decertify a support organization if the university board of trustees or designee determines that the organization is no longer serving the best interest or mission of the university and decertification is appropriate. In decertifying a support organization, the board of trustees shall require an accounting of the organization's assets and liabilities and take such reasonable action as necessary to secure the return of all university property and facilities as requested by the university.

Authority: Section 7(d), Art. IX, Fla. Const., History – Formerly BOR Rule 6C-3.12 and 6C-9.11, 11-18-70, 12-17-74, 4-14-76, 6-25-80, 8-11-85, 9-28-86, 2-13-89, 4-10-90, 12-9-91, 8-1-94, 4-16-96, Amended and Renumbered 8-6-09.



REGULATION

USF System USF USFSP USFSM

**Number:** USF13.002  
**Subject:** Direct Support Organizations and Health Services Support Organizations  
**Responsible Office:** USF System Services

**Date of Origin:** 11-20-03

**Date Last Amended:** 8-17-15 (technical)

**Date Last Reviewed:** 8-17-15

(1) An organization seeking to receive, hold, invest and administer property and to make expenditures to, or for, the benefit of the University of South Florida System ("USF System") may request approval by the University of South Florida Board of Trustees ("Board") to become a direct-support organization, as provided in Section 1004.28, Florida Statutes. An organization seeking to enter into arrangements with other entities as providers in other integrated health care systems or similar entities for the exclusive benefit of the USF System may request approval by the Board to become a health services support organization, as provided in Section 1004.29, Florida Statutes. In no case shall the USF System have any responsibility for acts, debts, liabilities, and obligations incurred or assumed by a health services support organization.

(2) Upon approval by the Board, a direct-support organization or health services support organization ("Support Organization[s]") shall be certified and authorized to use the property, facilities and personnel services of the USF System to the extent permissible by applicable law, the conditions prescribed by regulations, and internal management memoranda of the USF System.

(3) The Articles of Incorporation and Bylaws of a Support Organization of the USF System and all amendments of such Articles or Bylaws shall be recommended and presented by the President of the USF System ("President") to the Board for review and approval.

(4) Operating budgets of Support Organizations shall be prepared at least annually, approved by the organization's governing board, and presented by the President to the Board for review and approval.

(5) Expenditure plans of Support Organizations shall be reviewed and approved quarterly by the President or designee; said designee shall be a vice president, provost or other duly authorized

senior officer of the USF System reporting directly to the President and having operational responsibility on behalf of the USF System for the Support Organization.

(6) Support Organizations shall provide for an annual financial audit and management letter as prescribed by, and in accordance with, applicable law, regulations (including USF Regulation 13.002, Direct-Support Organizations and Health Services Support Organizations) and internal management memoranda. The letter shall be forwarded to the Board for review, oversight and approval. The Board shall have the right to inspect and audit the books and records of Support Organizations, which must be made available to the Board upon request.

(7) The Board is authorized to revoke certification of an organization as a Support Organization of the USF System if it determines, in its sole discretion, that the organization is no longer serving the best interest of the USF System. If certification is revoked, the Board shall determine the disposition of the Support Organization's assets and liabilities in accordance with applicable laws, the Support Organization's Articles of Incorporation and Bylaws.

*Authority: Art. IX, Sec. 7, Fla. Constitution; BOG Regulations 1.001, 9.011; Sections 1004.28, 1004.29, F.S.*

*History – New (BOT approval) 11-20-03, Formerly 6C4-13.002, F.A.C., Amended 9-10-09, 10-24-12, 8-17-15 (technical).*

Select Year:  

## The 2016 Florida Statutes

---

### Title XLVIII

#### K-20 EDUCATION CODE

### Chapter 1004

#### PUBLIC POSTSECONDARY EDUCATION

### [View Entire Chapter](#)

#### **1004.28 Direct-support organizations; use of property; board of directors; activities; audit; facilities.—**

(1) DEFINITIONS.—For the purposes of this section:

(a) “University direct-support organization” means an organization which is:

1. A Florida corporation not for profit incorporated under the provisions of chapter 617 and approved by the Department of State.

2. Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state university in Florida or for the benefit of a research and development park or research and development authority affiliated with a state university and organized under part V of chapter 159.

3. An organization that a state university board of trustees, after review, has certified to be operating in a manner consistent with the goals of the university and in the best interest of the state. Any organization that is denied certification by the board of trustees shall not use the name of the university that it serves.

(b) “Personal services” includes full-time or part-time personnel as well as payroll processing.

(c) “Property” does not include student fee revenues collected pursuant to s. 1009.24.

(2) USE OF PROPERTY.—

(a) Each state university board of trustees is authorized to permit the use of property, facilities, and personal services at any state university by any university direct-support organization, and, subject to the provisions of this section, direct-support organizations may establish accounts with the State Board of Administration for investment of funds pursuant to part IV of chapter 218.

(b) The board of trustees, in accordance with rules and guidelines of the Board of Governors, shall prescribe by rule conditions with which a university direct-support organization must comply in order to use property, facilities, or personal services at any state university. Such rules shall provide for budget and audit review and oversight by the board of trustees.

(c) The board of trustees shall not permit the use of property, facilities, or personal services at any state university by any university direct-support organization that does not provide equal employment opportunities to all persons regardless of race, color, religion, gender, age, or national origin.

(3) BOARD OF DIRECTORS.—The chair of the university board of trustees may appoint a representative to the board of directors and the executive committee of any direct-support organization established under this section. The president of the university for which the direct-support organization is established, or his or her designee, shall also serve on the board of directors and the executive committee of any direct-support organization established to benefit that university.

(4) ACTIVITIES; RESTRICTION.—A university direct-support organization is prohibited from giving, either directly or indirectly, any gift to a political committee as defined in s. 106.011 for any purpose other than those certified by a majority roll call vote of the governing board of the direct-support organization at a regularly scheduled meeting as being directly related to the educational mission of the university.

(5) ANNUAL AUDIT; PUBLIC RECORDS EXEMPTION; PUBLIC MEETINGS EXEMPTION.—

(a) Each direct-support organization shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General

pursuant to s. 11.45(8) and by the university board of trustees. The annual audit report shall be submitted, within 9 months after the end of the fiscal year, to the Auditor General and the Board of Governors for review. The Board of Governors, the university board of trustees, the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall have the authority to require and receive from the organization or from its independent auditor any records relative to the operation of the organization. The identity of donors who desire to remain anonymous shall be protected, and that anonymity shall be maintained in the auditor's report.

(b) All records of the organization other than the auditor's report, management letter, and any supplemental data requested by the Board of Governors, the university board of trustees, the Auditor General, and the Office of Program Policy Analysis and Government Accountability shall be confidential and exempt from s. 119.07(1).

(c) Any portion of a meeting of the board of directors of the organization, or of the executive committee or other committees of such board, at which any proposal seeking research funding from the organization or a plan or program for either initiating or supporting research is discussed is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution. This paragraph is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2019, unless reviewed and saved from repeal through reenactment by the Legislature.

(6) FACILITIES.—Each direct-support organization is authorized to enter into agreements to finance, design and construct, lease, lease-purchase, purchase, or operate facilities necessary and desirable to serve the needs and purposes of the university, as determined by the systemwide strategic plan adopted by the Board of Governors. Such agreements are subject to the provisions of ss. 1010.62 and 1013.171.

(7) ANNUAL BUDGETS AND REPORTS.—Each direct-support organization shall submit to the university president and the Board of Governors its federal Internal Revenue Service Application for Recognition of Exemption form (Form 1023) and its federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).

**History.**—s. 172, ch. 2002-387; s. 173, ch. 2007-5; s. 89, ch. 2007-217; s. 31, ch. 2013-37; s. 1, ch. 2014-27.